

AM/032/040

Atlas Minerals
Division of Atlas Corporation

P.O. Box 1207 Moab, Utah 84532
(801)259-5131

January 3, 1983

Thomas N. Tetting
Division of Oil, Gas and Mining
4241 State Office Building
Salt Lake City, Utah 84114

Re: Reclamation Cost Estimates

Dear Mr. Tetting:

Enclosed are revised reclamation cost estimates on each of Atlas' twenty-one mines in Utah for which permit applications have been submitted. Although you have only requested these estimates for fifteen of Atlas' mines, we are submitting them for all of Atlas' mines in an attempt to keep all of the cost-estimates consistent and bring them all up to date.

As we discussed in our telephone conversation on December 15, 1982, we are submitting these revised estimates on the Division's "old" Bond Estimate forms only, as we believe the "new" forms are duplicative and unnecessary. In Atlas' opinion, all of the necessary information is contained on these "old" forms and shown more concisely than could be achieved using the "new" forms.

Please note that no deductions have been made from these estimates for the salvage value of on-site equipment. If the total salvage value of all Atlas' mining equipment was subtracted from the total of these reclamation cost-estimates, the result would probably be a negative number. Since the form of Atlas' surety is to be a Performance Contract, we don't feel it is necessary to include a salvage value deduction on these estimates at this time.

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DIVISION OF
OIL, GAS & MINING

Thomas N. Tetting
Reclamation Cost Estimates

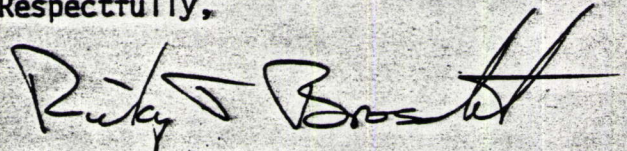
Page 2 -
January 3, 1983

In your letter of December 17, 1982 you state that the Division's estimate for plugging a borehole is \$3,000 each. Atlas disagrees with this estimate and you will note that we have used a figure of \$1,000 each in the enclosed cost-estimates. The contingency costs should cover any discrepancy.

As estimated on the enclosed forms, the total cost to reclaim all of Atlas' twenty-one mines is \$934,882. These mines disturb a total of 326.1 acres, consequently, we have estimated an average reclamation cost of \$2,867 per acre. In Atlas' opinion, this is a realistic and reasonable average cost /acre figure for this industry.

The information you've requested on the remaining mine reviews and reclamation commitment will be forthcoming. Please contact me with any questions you may have.

Respectfully,



Ricky J. Broschat

CC: R. Blubaugh

RJB/rm

DIVISION OF OIL, GAS, AND MINING

BOND ESTIMATE

OPERATOR: Atlas Minerals
 MINE NAME: Velvet
 LOCATION: Lisbon Valley
 COUNTY: San Juan
 DATE: December 27, 1982

	Operation	Amount	Rate	Cost
A.	CLEAN-UP			
	1. Removal of structures & equipment.	7,800 ft ²	\$1.50/ft ²	\$11,700
	2. Removal of trash & debris.	22.0 acres	\$100/acre	\$2,200
	3. Leveling of ancillary facilities pads and access roads.	3.0 acres	\$1000/acre	\$3,000
B.	REGRADEING & RECONTOURING			
	1. Earthwork including haulage and grading of spoils, waste and overburden.	19.0 acres	\$1,000/acre	\$19,000
	2. Recontouring of highwalls and excavations.	N/A	N/A	N/A
	3. Spreading of soil or surficial materials.	40 hrs	\$60/hr	\$2,400
C.	STABILIZATION			
	1. Soil preparation, scarification, fertilization, etc.	----- Included in regrading -----		
	2. Seeding or planting.	22.0 acres	\$125/acre	\$2,750
	3. Construction of terraces, waterbars, etc.	----- Included in regrading -----		
D.	LABOR			
	1. Supervision.	500 hrs	\$15/hr	\$7,500
	2. Labor exclusive of bulldozer time.			
E.	SAFETY			
	1. Erection of fences, portal coverings, etc.	3 boreholes	\$1,000 each	\$3,000
	2. Removal or neutralization of explosive or hazardous materials.	N/A	N/A	N/A
F.	MONITORING			
	1. Continuing or periodic monitoring, sampling & testing deemed necessary.	80 hrs	\$15/hr	\$1,200
G.	OTHER			
	1. Fencing to control grazing	2,000 ft	\$1.25/ft	\$2,500
	2. Contingency costs	\$55,250	10%	\$5,525
H.	Total	N/A	N/A	\$60,775